

**Well Inspection**

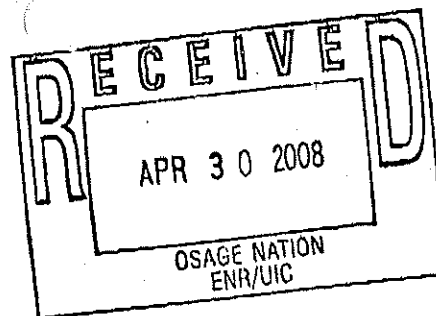
Scan Code: 30

**Osage Nation / Environmental Protection Agency**P. O. Box 1495  
Pawhuska, OK 74056Inspector: J. Andrew Yates Dt/Tm Inspected: 6/17/2008 2:30:00 PM Duration: 0.3  
Operator Representative: STEVE SEWELL Dt Scheduled: \_\_\_\_\_ Dt Op Notified \_\_\_\_\_**General Well Data and Inspection Information**Operator: BGI Resources LLC Inventory No.: OS0933 API Well No. 35-113-95994-00-00  
Po Box 174 Well Name/No.: SWD-1 Status: T?  
Pawhuska, OK 74056 Location: NW 28 28N 7E 175E - 200N Well Type: SWD  
Phone: (918) 287-1277 Field Nm: \_\_\_\_\_ Lat/Lng: 36.883204, 96.556329 G**ROUTINE UIC INSPECTION**Purpose: Fluid Level Monitoring Responsible Company at Time of Inspection: BGI Resources LLC  
Inspect No.: ijAY0817532493 Notification Type: \_\_\_\_\_  
Incident No.: \_\_\_\_\_ Date Letter Sent to Owner: \_\_\_\_\_ Extension Date: \_\_\_\_\_  
Comply No.: \_\_\_\_\_ Date Remedy Required: \_\_\_\_\_ Date Passed: \_\_\_\_\_**Pressures / Conditions**Date Last MIT: 3/14/2002 Test Result: \_\_\_\_\_ Casing: 5.500 in. Tubing: 2.880 in. USDW: 865 ft subsurfMonitoring Device Elected: \_\_\_\_\_  
Monitoring Device: \_\_\_\_\_  
FLM Canister Pressure: \_\_\_\_\_  
Lease Status: Active  
Barrel Monitor Hooked Up?: \_\_\_\_\_  
Barrel Fluid Level (%): \_\_\_\_\_  
Flowline Hooked Up?: N  
Injecting?: N

	Tubing	Annulus	
Fittings:	<u>NA</u>	<u>Y</u>	<b>AUTHORIZED</b>
Actual Pressure:	<u>0</u>		Max Pressure: <u>508</u>
How Determined?:	<u>UIC</u>		Min Req Press: _____
Static Fluid Level:	<u>465</u>		Max Rate: _____
How Determined?:	<u>E</u>		
Injection Rate (bpd):	<u>0</u>		How Rate Determined? _____

**Comments**T.A. WELL, CSG. HEAD W/ TBG. SUB SEALING TOP.Evaluation: Name: *Russell J. [Signature]* Date: 7/7/08  
Inspection Results: 108 Follow-up: C Reason: AK Sel  
Violation Code: B Frequency: \$NF Received Date: 7/7/2008

United States Environmental Protection Agency  
Underground Injection Control Program  
1445 Ross Avenue  
Dallas, TX 75202-2733



## Annual Disposal/Injection Well Monitoring Report

Operator: BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

Owner: BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

State: OK County: OSAGE

Inventory Number: OS0933000

Tr Section: NW Section: 28

Township: 28N

Range: 07E

Surface Location: 200N/175E

Well ActivityType of PermitLease NameWell Number

Disposal

☒ Individual

SWD-1

No. of Wells: 0

☐ Area

Strikeaxe

Month/Year	Injection Pressure		Total Volume Injected		Tubing-Casing Annulus Pressure (Optional Monitor)	
	Avg PSIG	Max PSIG	BBL	MCF	Min PSIG	Max PSIG
Apr 2007	0		0			
May 2007	0		0			
Jun 2007	0		0			
Jul 2007	0		0			
Aug 2007	0		0			
Sep 2007	0		0			
Oct 2007	0		0			
Nov 2007	0		0			
Dec 2007	0		0			
Jan 2008	0		0			
Feb 2008	0		0			
Mar 2008	0		0			

**CERTIFICATION**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations. (Ref. 40 CFR 122.22).

Name and Official Title:

Signature:

Date Signed:

Sandra McCartney Bookkeeper

Sandra L. McCartney

4/30/08

# Well Inspection

Scan Code: 30

## Osage Nation / Environmental Protection Agency

P. O. Box 1495  
Pawhuska, OK 74056

Inspector: J. Andrew Yates Dt/Tm Inspected: 1/14/2008 2:30:00 PM Duration: 0.3  
Operator Representative: NONE Dt Scheduled: \_\_\_\_\_ Dt Op Notified \_\_\_\_\_

### General Well Data and Inspection Information

Operator: BGI Resources LLC Inventory No.: OS0933 API Well No. 35-113-95994-00-00  
Po Box 174 Well Name/No.: SWD-1 Status: T?  
Pawhuska, OK 74056 Location: NW 28 28N 7E 175E - 200N Well Type: SWD  
Phone: (918) 287-1277 Field Nm: \_\_\_\_\_ Lat/Lng: 36.883204, 96.556329 G

### ROUTINE UIC INSPECTION

Purpose: Fluid Level Monitoring Responsible Company at Time of Inspection: BGI Resources LLC  
Inspect No.: iJAY0802432390 Notification Type: \_\_\_\_\_  
Incident No.: \_\_\_\_\_ Date Letter Sent to Owner: \_\_\_\_\_ Extension Date: \_\_\_\_\_  
Comply No.: \_\_\_\_\_ Date Remedy Required: \_\_\_\_\_ Date Passed: \_\_\_\_\_

### Pressures / Conditions

Date Last MIT: 3/14/2002 Test Result: \_\_\_\_\_ Casing: 5.500 in. Tubing: 2.880 in. USDW: 865 ft subsurf

Monitoring Device Elected: \_\_\_\_\_  
Monitoring Device: \_\_\_\_\_  
FLM Canister Pressure: \_\_\_\_\_  
Lease Status: Active  
Barrel Monitor Hooked Up?: \_\_\_\_\_  
Barrel Fluid Level (%): \_\_\_\_\_  
Flowline Hooked Up?: N  
Injecting?: N

	Tubing	Annulus	
Fittings:	<u>NA</u>	<u>Y</u>	<b>AUTHORIZED</b>
Actual Pressure:	<u>0</u>		Max Pressure: <u>508</u>
How Determined?:	<u>UIC</u>		Min Req Press: _____
Static Fluid Level:	<u>436</u>		Max Rate: _____
How Determined?:	<u>E</u>		
Injection Rate (bpd):	<u>0</u>		How Rate Determined? _____

### Comments

T.A. WELL, CSG. HEAD W/ TBG. SUB SEALING TOP.

*Talked to  
Steve Sewell  
1/30/08. Said  
planning to run  
a liner in the well.  
Need more time. Get  
California H&A to send  
letter.*

Evaluation: Name: *Paradise Jones* Date: 1/28/08  
Inspection Results: B Follow-up: C Reason: See  
Violation Code: B Frequency: NR Received Date: 1/28/2008



United States Environmental Protection Agency  
Underground Injection Control Program  
1445 Ross Avenue  
Dallas, TX 75202-2733

29

**Annual Disposal/Injection Well Monitoring Report**

**Operator:** BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606-

**Owner:** BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606-

**State:** OK      **County:** OSAGE

**Inventory Number:** OS0933000

**Qtr Section:** NW      **Section:** 28

**Township:** 28N

**Range:** 07E

**Surface Location:** 0200N-0175E

**Well Activity**

DISPOSAL

No. of Wells: 0

**Type of Permit**

☒ Individual

☐ Area

**Lease Name**

STRIKEAXE

**Well Number**

SWD-1

**North Quadrant Reporting Form**

		Injection Pressure		Total Volume Injected		Tubing-Casing Annulus Pressure (Optional Monitor)	
Month	Year	Avg PSIG	Max PSIG	BBL	MCF	Min PSIG	Max PSIG
Apr	2006	0		0			
May	2006						
Jun	2006						
Jul	2006						
Aug	2006						
Sep	2006						
Oct	2006						
Nov	2006						
Dec	2006						
Jan	2007						
Feb	2007						
Mar	2007						

**CERTIFICATION**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations. (Ref. 40 CFR 122.22).

**Name and Official Title:**

**Signature:**

**Date Signed:**

RALPH TOLSON, MANAGER

[Signature]

April 29, 2007

5-7-07  
DS

# Well Inspection

Scan Code: 30

## Osage Nation / Environmental Protection Agency

P. O. Box 1495  
Pawhuska, OK 74056Inspector: J. Andrew Yates Dt/Tm Inspected: 4/4/2007 1:30:00 PM Duration: 0.3  
Operator Representative: STEVE SEWELL Dt Scheduled: \_\_\_\_\_ Dt Op Notified \_\_\_\_\_

### General Well Data and Inspection Information

Operator: Bgi Resources Llc Inventory No.: OS0933 API Well No. 35-113-95994-00-00  
Po Box 174 Well Name/No.: SWD-1 Status: T?  
Pawhuska, Ok 74056 Location: NW 28 28N 7E 175E - 200N Well Type: SWD  
Phone: \_\_\_\_\_ Field Nm: \_\_\_\_\_ Lat/Lng: 36.883204, 96.556329 G

### ROUTINE UIC INSPECTION

Purpose: Compliance Responsible Company at Time of Inspection: Bgi Resources Llc  
Inspect No.: ijAY0709932375 Notification Type: \_\_\_\_\_  
Incident No.: \_\_\_\_\_ Date Letter Sent to Owner: \_\_\_\_\_ Extension Date: \_\_\_\_\_  
Comply No.: \_\_\_\_\_ Date Remedy Required: \_\_\_\_\_ Date Passed: \_\_\_\_\_

### Pressures / Conditions

Date Last MIT: 3/14/2002 Test Result: \_\_\_\_\_ Casing: 5.500 in. Tubing: 2.880 in. USDW: 865 ft subsurfMonitoring Device Elected: \_\_\_\_\_  
Monitoring Device: \_\_\_\_\_  
FLM Canister Pressure: \_\_\_\_\_  
Lease Status: Active  
Barrel Monitor Hooked Up?: \_\_\_\_\_  
Barrel Fluid Level (%): \_\_\_\_\_  
Flowline Hooked Up?: N  
Injecting?: N

	Tubing	Annulus	
Fittings:	<u>NA</u>	<u>Y</u>	<b>AUTHORIZED</b>
Actual Pressure:	<u>0</u>		Max Pressure: <u>508</u>
How Determined?:	<u>UIC</u>		Min Req Press: _____
Static Fluid Level:	<u>465</u>		Max Rate: _____
How Determined?:	<u>E</u>		
Injection Rate (bpd):	<u>0</u>		How Rate Determined? <u>CI</u>

### Comments

CSG. HEAD W/ TBG. SUB SEALING TOP. STACK OF TBG. @ WELL.Evaluation: Name: *Paradise* Date: 4/16/07Inspection Results: 8 Follow-up: AD Reason: MAFLMViolation Code: B Frequency: TQ

Received Date: 4/12/2007



# Well Inspection

Scan Code: 30

## Osage Nation / Environmental Protection Agency

P. O. Box 1495  
Pawhuska, OK 74056Inspector: J. Andrew Yates Dt/Tm Inspected: 12/11/2006 3:00:00 PM Duration: 0.3  
Operator Representative: STEVE SEWELL Dt Scheduled: \_\_\_\_\_ Dt Op Notified \_\_\_\_\_

### General Well Data and Inspection Information

Operator: BGI RESOURCES LLC Inventory No.: OS0933 API Well No. 35-113-95994-00-00  
PO BOX 174 Well Name/No.: SWD-1 Status: T?  
PAWHUSKA, OK 74056 Location: NW 28 28N 7E 175E - 200N Well Type: SWD  
Phone: \_\_\_\_\_ Field Nm: \_\_\_\_\_ Lat/Lng: 36.883204, 96.556329 G

### ROUTINE UIC INSPECTION

Purpose: Status Check Responsible Company at Time of Inspection: BGI RESOURCES LLC  
Inspect No.: iJAY0635235783 Notification Type: \_\_\_\_\_  
Incident No.: \_\_\_\_\_ Date Letter Sent to Owner: \_\_\_\_\_ Extension Date: \_\_\_\_\_  
Comply No.: \_\_\_\_\_ Date Remedy Required: \_\_\_\_\_ Date Passed: \_\_\_\_\_

### Pressures / Conditions

Date Last MIT: 3/14/2002 Test Result: \_\_\_\_\_ Casing: 5.500 in. Tubing: 2.880 in. USDW: 865 ft subsurfMonitoring Device Elected: \_\_\_\_\_  
Monitoring Device: \_\_\_\_\_  
FLM Canister Pressure: \_\_\_\_\_  
Lease Status: Active  
Barrel Monitor Hooked Up?: \_\_\_\_\_  
Barrel Fluid Level (%): \_\_\_\_\_  
Flowline Hooked Up?: N  
Injecting?: N

	Tubing	Annulus	
Fittings:	<u>NA</u>	<u>NA</u>	<b>AUTHORIZED</b>
Actual Pressure:	_____	_____	Max Pressure: <u>508</u>
How Determined?:	_____	_____	Min Req Press: _____
Static Fluid Level:	_____	_____	Max Rate: _____
How Determined?:	_____	_____	
Injection Rate (bpd):	<u>0</u>	_____	How Rate Determined? <u>CI</u>

### Comments

WORK-OVER IN PROGRESS, TRYING TO FIX WELL FOR MIT.Evaluation: Name: *Parvinder Singh* Date: 11/4/07  
Inspection Results: 10 Follow-up: A Reason: FLM  
Violation Code: B4 Frequency: 5A Received Date: 1/3/2007

United States Environmental Protection Agency  
Underground Injection Control Program  
1445 Ross Avenue  
Dallas, TX 75202-2733

Annual Disposal/Injection Well Monitoring Report

Operator: BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606-

Owner: BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606-

State: OK County: OSAGE

Inventory Number: OS0933000

Qtr Section: NW Section: 28

Township: 28N

Range: 07E

Surface Location: 0200N-0175E

Well Activity

DISPOSAL

No. of Wells: 0

Type of Permit

☒ Individual

☐ Area

Lease Name

STRIKEAXE

Well Number

SWD-1

North Quadrant Reporting Form

		Injection Pressure		Total Volume Injected		Tubing-Casing Annulus Pressure (Optional Monitor)	
Month	Year	Avg PSIG	Max PSIG	BBL	MCF	Min PSIG	Max PSIG
Apr	2005	<u>0</u>		<u>0</u>			
May	2005						
Jun	2005						
Jul	2005						
Aug	2005						
Sep	2005						
Oct	2005						
Nov	2005						
Dec	2005						
Jan	2006						
Feb	2006						
Mar	2006			<u>0</u>			

CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations. (Ref. 40 CFR 122.22).

Name and Official Title:

Signature:

Date Signed:

RALPH TOLSON MANAGER

[Signature]

October 28, 2006

# EXACT Engineering, Inc.

20 East Fifth Street, Suite 310, Tulsa, OK 74103

www.exactengineering.com

office 918.599.9400 fax 918.599.9401

May 6, 2013

Att: Ronald Van Wyk, Environmental Engineer  
Water Resources Section  
United States Environmental Protection Agency  
Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

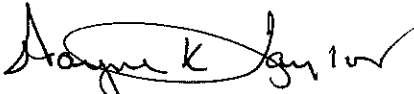
Re: Letter of April 17, 2013  
Plugging Requirement  
Inventory No.: OS0933  
Well No.: R Barton SWD-1  
Location: NW/4, Sec 28-T28N-R07E  
Osage County, Oklahoma

Dear Mr. Van Wyk:

In response to the fact the subject well has not experienced injection during the past 12 months which triggers a requirement for plugging unless there is an acceptable plan for future use, we respectfully request the plugging deadline be rescinded for the following reason. The tank battery adjacent to this disposal well handles water volumes as reported, reaching to nearly 50,000 bbls/month. This water is regularly disposed in the SWD well Inventory Number OS0931000 (Givens 2 SWD), with the subject R Barton SWD-1 serving as a backup or reserve disposal well, equipped, permitted and ready to put into service for any need. Further, to ease the requirement for plugging, I have requested the field operations switch disposal from the tank battery to the R Barton SWD-1 for two days and thus provide activity and demonstrate capability and readiness. Handling this volume of water, with the back-up disposal well permitted, capable and available makes wise environmental sense and we therefore request the ability to maintain this R Barton SWD-1 in readiness as a back-up disposal source for this produced water.

Please acknowledge this response and your acceptance of this plan in order to avoid the plugging requirement.

Sincerely,



Wayne K. Taylor  
Sr Engineer, EXACT Engineering, Inc

CC: Tara Righetti, Jim Kunard



Inventory No.: **OS0933**  
Scan Code: **33**

April 17, 2013

REPLY TO: 6EN-WR

Mr. Wayne K. Taylor  
BGI Resources, LLC  
1900 Embarcadero, Suite 301  
Oakland, CA 94606

Re: Plugging Requirement  
Inventory No.: OS0933  
Well No.: R Barton SWD-1  
Location: NW/4, Sec. 28, T 28N, R 7E  
Osage County, Oklahoma

Dear Mr. Taylor:

Annual operation reports in our file show that the referenced injection well is inactive. Osage Underground Injection Control regulations require inactive wells to be plugged within one year after injection ceases. We may extend the plugging deadline if you have an acceptable plan for future use of the well. Send us your plan for future use within 30 days from the date of this letter if you want an extended plugging deadline.

Please contact me at 214-665-6459 if you have any questions.

Sincerely yours,

Ronald Van Wyk  
Environmental Engineer  
Water Resources Section

cc: Osage Nation Environmental and Natural Resources Department  
BIA, Minerals Branch

6EN-WR:VANWYK:4/17/13:ENF CODE: U5

R:\My Documents\Word Files\Letters\FY2013\0933-30

# EXACT Engineering, Inc.

20 East Fifth Street, Suite 310, Tulsa, OK 74103

www.exactengineering.com

office 918.599.9400 fax 918.599.9401

Water Resources Section (6EN-WR)  
Environmental Protection Agency  
1445 Ross Avenue  
Dallas, TX 75202

Re: BGI Resources LLC  
Osage County Injection Reports

Mr. Willie Lane, Jr:

Enclosed please find the 2011-2012 Annual Disposal Reports for referenced Company.

Sincerely,



Wayne K. Taylor  
Senior Engineer

056226  
0933  
6288  
0931  
34

Inventory No.: OS0931/OS0933/OS6226  
Scan Code: 33

AUG 4 2011

REPLY TO: 6EN-WR

Mr. James Rector  
BGI Resources, LLC  
1900 Embarcadero, Suite 301  
Oakland, CA 94606

Re: Notice of Overdue Annual Well Operation Reports  
Inventory No. Well No. Location - Osage County, Oklahoma  
OS0931 2D SW/4, Sec. 21, T28N, R 7E  
OS0933 SWD-1 NW/4, Sec. 28, T28N, R 7E  
OS6226 1 SW/4, Sec. 14, T28N, R 7E

Dear Mr. Rector:

To date, we have not received the required annual operation reports for the referenced wells for the period April 2010 through March 2011. Please submit the required reports to this office within 15 days from the date on this letter. The reports must include the information on the enclosed forms.

The Safe Drinking Water Act authorizes the Environmental Protection Agency (EPA) to require annual reports. Under the Act, the EPA can issue orders or administrative penalties for failure to submit reports. To avoid this type of enforcement action, please submit the completed annual reports, within 15 days, as requested.

If you have any questions or already submitted the required reports, please contact Ronald Van Wyk at 214-665-6459.

Sincerely yours

Willie Lane, Jr.  
Chief  
Water Resources Section

Enclosures

cc: Osage Nation Environmental and Natural Resources Department  
BIA, Minerals Branch

6EN-WR:rvanwyk:7/18/11:code K  
7/18/11

H:\6EN\6EN-W\WR\VANWYK\2011\BGI-2



Inventory No.: OS0933  
Scan Code: 53

SEP 26 2008

REPLY TO: 6EN-WR

Mr. Ralph Tolson  
BGI Resources, Inc.  
1900 Embarcadero, Suite 301  
Oakland, CA 94606

Re: Withdrawal of Proposed Administrative Order  
Docket No.: SDWA-06-2008-1122  
Inventory No. Well No. Location-Osage County, Oklahoma  
OS0933 SWD-1 NW/4, Sec. 28, T28N, R 7E

Dear Mr. Tolson:

You are fully compliant with the referenced Administrative Order proposed on May 29, 2008. Therefore, we are withdrawing the proposed Order.

Thank you for promptly complying with Osage Underground Injection Control program requirements. Please contact Mr. Ronald Van Wyk at 214-665-6459 if you have any questions.

Sincerely yours,

Mike Michaud  
Associate Director  
Water Enforcement Branch

cc: Osage Nation Environmental and Natural Resources Department  
BIA, Minerals Branch

6EN-WR:rvanwyk:9/15/08

H:\6EN\6EN-W\WR\VANWYK\2008\0933-87

6EN-WR  
SAUNDERS

Michael

# BGI RESOURCES, LLC

John Blevins  
US EPA  
Region 6  
1445 Ross Avenue, Suite 1200  
Dallas TX

June 30, 2008

RE: Notice of Proposed Administrative Order and Opportunity to Request a Hearing  
Docket Number SDW A-06-2008-1122

Dear Mr. Blevins:

BGI Resources, LLC recently received proposed administrative order, Docket Number SDW A-06-2008-1122, requiring that BGI plug, repair, or prove the mechanical integrity of well number SWD-1. Since April 2005, BGI Resources has taken corrective actions in an attempt to correct this violation and maintain the injection well according to the requirements at 40 C.F.R. Part 147. Repairs were attempted on this well on 11/6/2006, 11/22/2006, and 8/21/2007. In each case, cement was squeezed into the damaged portion of the well casing, however each time the well failed pressure testing.

These corrective actions have been unsuccessful at either lowering the static fluid level in the well or restoring the mechanical integrity of the well as required by the regulations. Therefore, BGI Resources proposes to take the following course of action in response to the above referenced administrative order:

A composite bridge plug will be set at the bottom of the existing 5 ½" casing (1857'). New 4 ½" casing with centralizers and welded joints will then be installed inside the existing 5 ½" casing, set 1' above bridge plug. The new casing will then be cemented to surface. After the cement has cured, a bit and drill collars will be used to clean out any cement inside the casing and drill out the bridge plug. The open hole will then be checked for fill and circulated out as needed. Finally, a packer will be set in the new casing and pressure testing performed to ensure mechanical integrity as per 40 CFR Ch. I, §147.3107.

BGI estimates that the proposed corrective actions will be completed and certificate of completion obtained within the statutorily allotted period. If such corrective actions are unsuccessful or cannot be completed within such period, BGI Resources will promptly contact your offices. Please contact us if the corrective action proposed by BGI does not conform to the required specifications or if you have any further concerns regarding the SWD-1 well.

Regards,



(29)

United States Environmental Protection Agency  
Underground Injection Control Program  
1445 Ross Avenue  
Dallas, TX 75202-2733

Annual Disposal/Injection Well Monitoring Report

Operator: BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

Owner: BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

State: OK County: OSAGE

Inventory Number: OS0933000

Qtr Section: NW Section: 28

Township: 28N

Range: 07E

Surface Location: 200N/175E

Well Activity

Disposal

No. of Wells: 3

Type of Permit

☐ Individual

☒ Area

Lease Name

R. Barton

Well Number

SWD-1

Month/Year	Injection Pressure		Total Volume Injected		Tubing-Casing Annulus Pressure (Optional Monitor)	
	Avg PSIG	Max PSIG	BBL	MCF	Min PSIG	Max PSIG
Apr 2009	0	0	1690	0	0	0
May 2009	0	0	1600	0	0	0
Jun 2009	0	0	1820	0	0	0
Jul 2009	0	0	1230	0	0	0
Aug 2009	0	0	880	0	0	0
Sep 2009	0	0	1300	0	0	0
Oct 2009	0	0	950	0	0	0
Nov 2009	0	0	800	0	0	0
Dec 2009	0	0	1010	0	0	0
Jan 2010	0	0	850	0	0	0
Feb 2010	0	0	1100	0	0	0
Mar 2010	0	0	700	0	0	0

**CERTIFICATION**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations. (Ref. 40 CFR 122.22).

Name and Official Title:

James Rector  
Manager

Signature:



Date Signed:

4-22-10



29


 United States Environmental Protection Agency  
 Washington, DC 20460

**ANNUAL DISPOSAL/INJECTION WELL MONITORING REPORT**

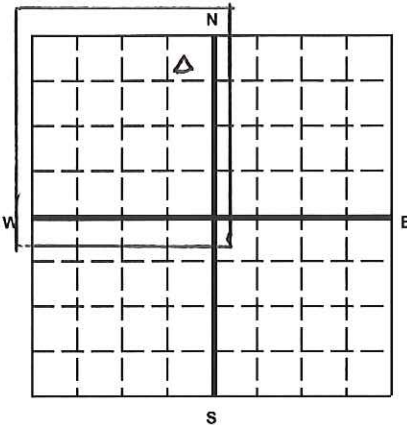
933

## Name and Address of Existing Permittee

 Operator: BGI RESOURCES, LLC, 1900 EMBARCADERO  
 SUITE 301, OAKLAND, CA. 94606

## Name and Address of Surface Owner

 BGI RESOURCES, LLC  
 1900 EMBARCADERO, SUITE 301, OAKLAND, CA. 94606

 Locate Well and Outline Unit on  
 Section Plat - 640 Acres

 State  
 OK

 County  
 OSAGE

 Permit Number  
 OS0933000

## Surface Location Description

1/4 of ne 1/4 of ne 1/4 of nw 1/4 of Section 28 Township 28N Range 07E

Locate well in two directions from nearest lines of quarter section and drilling unit

## Surface

Location 200 ft. from (N/S) N Line of quarter section

and 175 ft. from (E/W) E Line of quarter section.

## WELL ACTIVITY

- ☒ Brine Disposal  
☐ Enhanced Recovery  
☐ Hydrocarbon Storage

## TYPE OF PERMIT

- ☐ Individual  
☒ Area

Number of Wells 3

Lease Name R. BARTON

Well Number SWD-1

## INJECTION PRESSURE

## TOTAL VOLUME INJECTED

 TUBING -- CASING ANNULUS PRESSURE  
 (OPTIONAL MONITORING)

MONTH	YEAR	AVERAGE PSIG	MAXIMUM PSIG	BBL	MCF	MINIMUM PSIG	MAXIMUM PSIG
April-2008		0	0	1500	0	0	0
May-2008		0	0	1000	0	0	0
June-2008		0	0	2200	0	0	0
July-2008		0	0	1900	0	0	0
August-2008		0	0	2800	0	0	0
September-2008		0	0	2000	0	0	0
October-2008		0	0	2800	0	0	0
November-2008		0	0	1350	0	0	0
December-2008		0	0	1900	0	0	0
January-2008		0	0	2800	0	0	0
February-2008		0	0	2500	0	0	0
March-2008		0	0	2600	0	0	0

**Certification**

I certify under the penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. (Ref. 40 CFR 144.32)

Name and Official Title (Please type or print)

ROBERT J. WURTZBACHER, ENGINEER

Signature

Date Signed

4/22/09

PS

## PAPERWORK REDUCTION ACT

The public reporting and record keeping burden for this collection of information is estimated to average 25 hours annually for operators of Class I wells and 5 hours annually for operators of Class II wells. Burden means the total time, effort, or financial resource expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal Agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to the collection of information; search data sources; complete and review the collection of information; and, transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques to Director, Collection Strategies Division, U.S. Environmental Protection Agency (2822), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Include the OMB control number in any correspondence. Do not send the completed forms to this address.

29

United States Environmental Protection Agency  
Underground Injection Control Program  
1445 Ross Avenue  
Dallas, TX 75202-2733

Annual Disposal/Injection Well Monitoring Report

Operator: BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

Owner: BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

State: OK County: OSAGE

Inventory Number: OS0933000

Qtr Section: NW Section: 28 Township: 28N Range: 07E Surface Location: 200N/175E

Well Activity

Disposal

No. of Wells: -0-

Type of Permit

☐ Individual

☒ Area

Lease Name

R BARTON

Well Number

SWD-1

Month/Year	Injection Pressure		Total Volume Injected		Tubing-Casing Annulus Pressure (Optional Monitor)	
	Avg PSIG	Max PSIG	BBL	MCF	Min PSIG	Max PSIG
Apr 2012			-0-			
May 2012						
Jun 2012						
Jul 2012						
Aug 2012						
Sep 2012						
Oct 2012						
Nov 2012						
Dec 2012						
Jan 2013						
Feb 2013						
Mar 2013						

**CERTIFICATION**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations. (Ref. 40 CFR 122.22).

Name and Official Title:

WAYNE K TAYLOR  
Consultant

Signature:

Date Signed:

04/05/2013



United States Environmental Protection Agency  
Underground Injection Control Program  
1445 Ross Avenue  
Dallas, TX 75202-2733

29

Annual Disposal/Injection Well Monitoring Report

Operator: BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

Owner: BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

State: OK County: OSAGE

Inventory Number: OS0933000

Qtr Section: NW Section: 28 Township: 28N Range: 07E Surface Location: 200N/175E

Well Activity

Disposal

No. of Wells: -0-

Type of Permit

☐ Individual


☒ Area

Lease Name

R. BARTON

Well Number

SWD-1

Month/Year	Injection Pressure		Total Volume Injected		Tubing-Casing Annulus Pressure (Optional Monitor)	
	Avg PSIG	Max PSIG	BBL	MCF	Min PSIG	Max PSIG
Apr 2011			- 0 -			
May 2011						
Jun 2011						
Jul 2011						
Aug 2011						
Sep 2011						
Oct 2011						
Nov 2011						
Dec 2011						
Jan 2012						
Feb 2012						
Mar 2012						


**CERTIFICATION**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations. (Ref. 40 CFR 122.22).

Name and Official Title:

WAYNE K TAYLOR  
CONSULTANT

Signature:



Date Signed:

4/12/2012

**United States Environmental Protection Agency  
Underground Injection Control Program  
1445 Ross Avenue  
Dallas, TX 75202-2733**

**RECEIVED**

AUG 19 2011

6EN-W

**Annual Disposal/Injection Well Monitoring Report**

**Operator:** BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

**Owner:** BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

**State:** OK      **County:** OSAGE**Inventory Number:** OS0933000**Qtr Section:** NW      **Section:** 28      **Township:** 28N      **Range:** 07E      **Surface Location:** 200N/175E**Well Activity**

Disposal

No. of Wells: 6**Type of Permit**☐ Individual☒ Area**Lease Name**Strikeaxe Consolidated**Well Number**

SWD-1

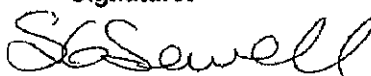
Month/Year	Injection Pressure		Total Volume Injected		Tubing-Casing Annulus Pressure (Optional Monitor)	
	Avg PSIG	Max PSIG	BBL	MCF	Min PSIG	Max PSIG
Apr 2010	20" vac		1480		20" vac	
May 2010	"		1355		"	
Jun 2010	"		1320		"	
Jul 2010	"		6000		"	
Aug 2010	"		1250		"	
Sep 2010	"		60		"	
Oct 2010	"		100		"	
Nov 2010	"		600	"		
Dec 2010	"		550		"	
Jan 2011	"		1450		"	
Feb 2011	"		1565		"	
Mar 2011	"		1285		"	

**CERTIFICATION**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations. (Ref. 40 CFR 122.22).

**Name and Official Title:**

Steve Sewell

**Signature:**

**Date Signed:**

08/12/2011

P. 11  
F. 12

United States Environmental Protection Agency  
Underground Injection Control Program  
1445 Ross Avenue  
Dallas, TX 75202-2733

29

Annual Disposal/Injection Well Monitoring Report

Operator: BGI RESOURCES, LLC  
624 SOUTH BOSTON AVE., SUITE 750  
TULSA OK 74119

Owner: BGI RESOURCES, LLC  
624 SOUTH BOSTON AVE., SUITE 750  
TULSA OK 74119

State: OK County: OSAGE

Inventory Number: OS0933000

Qtr Section: NW Section: 28

Township: 28N

Range: 07E

Surface Location: 200N/175E

Well Activity

Disposal

No. of Wells: 17

Type of Permit

☐ Individual

☒ Area

Lease Name

R Barton

Well Number

SWD-1

Month/Year	Injection Pressure <i>Vacume</i>		Total Volume Injected		Tubing-Casing Annulus Pressure (Optional Monitor)	
	Avg PSIG	Max PSIG	BBL	MCF	Min PSIG	Max PSIG
Apr 2017	8"	9"	800			
May 2017	9"	9"	150			
Jun 2017	9"	9"	0			
Jul 2017	9"	10"	462			
Aug 2017	10"	10"	0			
Sep 2017	10"	10"	976			
Oct 2017	9"	9"	232			
Nov 2017	9"	10"	0			
Dec 2017	8"	9"	420			
Jan 2018	8"	9"	0			
Feb 2018	10"	10"	1091			
Mar 2018	9"	10"	0			

CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations. (Ref. 40 CFR 122.22).

Name and Official Title:

Jim Konard

Production Forman

Signature:

Jim Konard

Date Signed:

6-7-18

Entd DIMS  
XL



United States Environmental Protection Agency  
Underground Injection Control Program  
1445 Ross Avenue  
Dallas, TX 75202-2733

29

Annual Disposal/Injection Well Monitoring Report

Operator: BGI RESOURCES, LLC  
624 SOUTH BOSTON AVE., SUITE 750  
TULSA OK 74119

Owner: BGI RESOURCES, LLC  
624 SOUTH BOSTON AVE., SUITE 750  
TULSA OK 74119

State: OK County: OSAGE

Inventory Number: OS0933000

Qtr Section: NW Section: 28

Township: 28N

Range: 07E

Surface Location: 200N/175E

Well Activity

Disposal

No. of Wells: 16

Type of Permit

☐ Individual

☒ Area

Lease Name

R Barton

Well Number

SWD-1

Month/Year	Injection Pressure		Total Volume Injected		Tubing-Casing Annulus Pressure (Optional Monitor)	
	Avg PSIG	Max PSIG	BBL	MCF	Min PSIG	Max PSIG
Apr 2016	9"	9"	250			
May 2016	10"	10"	0			
Jun 2016	10"	10"	0			
Jul 2016	9"	9"	375			
Aug 2016	9"	9"	623			
Sep 2016	10"	10"	0			
Oct 2016	9"	8"	250			
Nov 2016	10"	10"	0			
Dec 2016	10"	10"	0			
Jan 2017	9"	9"	450			
Feb 2017	9"	8"	325			
Mar 2017	10"	10"	0			

**CERTIFICATION**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations. (Ref. 40 CFR 122.22).

Name and Official Title:

Production Foreman

Jim Kunard

Signature:

[Signature]

Date Signed:

5-5-17

Entered

United States Environmental Protection Agency  
Underground Injection Control Program  
1445 Ross Avenue  
Dallas, TX 75202-2733

Annual Disposal/Injection Well Monitoring Report

Operator: BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

Owner: BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

State: OK County: OSAGE

Inventory Number: OS0933000

Qtr Section: NW Section: 28

Township: 28N

Range: 07E

Surface Location: 200N/175E

Well Activity

Disposal

No. of Wells: 0

Type of Permit

☐ Individual

☐ Area

Lease Name

R Barton

Well Number

SWD-1

Month/Year	Injection Pressure		Total Volume Injected		Tubing-Casing Annulus Pressure (Optional Monitor)	
	Avg PSIG	Max PSIG	BBL	MCF	Min PSIG	Max PSIG
Apr 2014			- 0 -			
May 2014			↓			
Jun 2014						
Jul 2014						
Aug 2014						
Sep 2014						
Oct 2014						
Nov 2014						
Dec 2014						
Jan 2015						
Feb 2015						
Mar 2015						

**CERTIFICATION**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations. (Ref. 40 CFR 122.22)

Cara Dillon Administrator

Signature: [Signature]

Date Signed: 06/30/15

(29)

United States Environmental Protection Agency  
Underground Injection Control Program  
1445 Ross Avenue  
Dallas, TX 75202-2733

Annual Disposal/Injection Well Monitoring Report

**Operator:** BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

**Owner:** BGI RESOURCES, LLC  
1900 EMBARCADERO, SUITE 301  
OAKLAND CA 94606

**State:** OK      **County:** OSAGE

**Inventory Number:** OS0933000

**Qtr Section:** NW      **Section:** 28

**Township:** 28N

**Range:** 07E

**Surface Location:** 200N/175E

**Well Activity**

Disposal

No. of Wells: 0

**Type of Permit**

☐ Individual

☐ Area

**Lease Name**

R Barton

**Well Number**

SWD-1

Month/Year	Injection Pressure		Total Volume Injected		Tubing-Casing Annulus Pressure (Optional Monitor)	
	Avg PSIG	Max PSIG	BBL	MCF	Min PSIG	Max PSIG
Apr 2013			-0-			
May 2013			2			
Jun 2013						
Jul 2013						
Aug 2013						
Sep 2013						
Oct 2013						
Nov 2013						
Dec 2013						
Jan 2014						
Feb 2014						
Mar 2014						

**CERTIFICATION**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations. (Ref. 40 CFR 122.22).

Cara Dillon

**Name and Official Title:**

Administrator

**Signature:**

Cara Dillon

**Date Signed:**

06/01/14

Entered





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6

1445 ROSS AVENUE, SUITE 1200  
DALLAS, TX 75202-2733

050933

(37)

MAY 29 2008

CERTIFIED MAIL - RETURN RECEIPT REQUESTED: 7005 1820 0003 7457 6146

Mr. Ralph Tolson  
BGI Resources, LLC  
1900 Embarcadero, Suite 301  
Oakland, CA 94606

Re: Notice of Proposed Administrative Order and Opportunity to Request a Hearing  
Docket Number SDWA-06-2008-1122

Dear Mr. Tolson:

Enclosed is a Proposed Administrative Order (Order) issued to BGI Resources, LLC for violation of the Safe Drinking Water Act (SDWA). The violation was identified based on our review of files that we maintain on the referenced well.

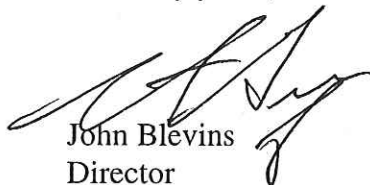
The violation was for maintaining Well No. SWD-1 in such a manner that could allow the movement of fluids through the well bore into underground sources of drinking water. The enclosed Order does not assess a monetary penalty; however, it does require compliance with SDWA requirements. You would be required to complete appropriate corrective actions on the referenced well.

You have the right to request a hearing regarding the violations alleged in the Order. Please refer to the enclosed Part 22, "Consolidated Rules of Practice," for information regarding hearing and settlement procedures. Also, note that should you fail to request a hearing within thirty (30) days of your receipt of this Order, you will waive your right to such a hearing, and may be subject to the compliance terms without further proceedings. Whether or not you request a hearing, we invite you to confer with us informally. If you choose not to request a hearing, we will review any comments on the proposed Order received from you and the public and determine whether the Order will become final.

Also enclosed is an "Information Sheet" relating to the Small Business Regulatory Enforcement Fairness Act and a "Notice of Registrant's Duty to Disclose" relating to the disclosure of environmental legal proceedings to the Securities and Exchange Commission. The Environmental Protection Agency is committed to ensuring compliance with the requirements of the Underground Injection Control program, and my staff will assist you in any way possible.

If you have any questions, or wish to discuss the possibility of a settlement of this matter, please contact Mr. Ronald Van Wyk, of my staff, at (214) 665-6459.

Sincerely yours,



John Blevins

Director

Compliance Assurance and  
Enforcement Division

Enclosures

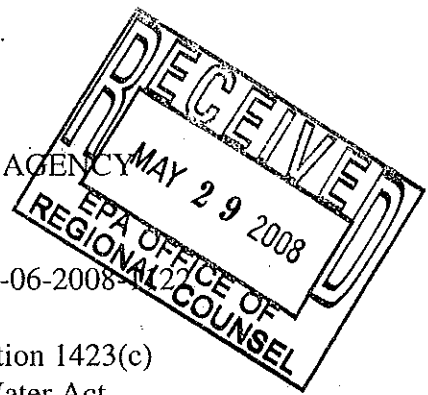
cc: BIA, Minerals Branch

Osage Nation Environmental and  
Natural Resources Department

7005 1820 0003 7457 6146

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Total Postage & Fees	\$
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Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, June 2002	
See Reverse for Instructions	

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
Region 6



IN THE MATTER OF

BGI Resources, LLC  
Pawhuska, Oklahoma

Respondent

§ DOCKET NO. SDWA-06-2008-1122  
§  
§ Proceedings under Section 1423(c)  
§ of the Safe Drinking Water Act,  
§ 42 U.S.C. § 300h-2(c)  
§  
§ PROPOSED  
§ ADMINISTRATIVE ORDER

**STATUTORY AUTHORITY**

The following findings are made and Order is issued under the authority vested in the Administrator of the U. S. Environmental Protection Agency ("EPA") by Section 1423(c) of the Safe Drinking Water Act ("Act"), 42 U.S.C. § 300h-2(c). The authority to take these actions has been delegated by the Administrator of the EPA to the Regional Administrator of Region 6 and further delegated to the Director, Compliance Assurance and Enforcement Division, Region 6.

The EPA has primary enforcement responsibility for underground injection within the meaning of Section 1422(c) of the Act, 42 U.S.C. § 300h-1(c), to ensure that owners or operators of Class II injection wells within Osage County, Oklahoma, comply with the requirements of the Act.

**FINDINGS**

1. BGI Resources, LLC ("Respondent") is a limited liability company authorized to do business in the State of Oklahoma, and as such, is a "person" within the meaning of Section 1401(12) of the Act, 42 U.S.C. § 300f(12).

2. Respondent is subject to underground injection control ("UIC") program requirements at 40 C.F.R. Part 147, Subpart GGG, which are authorized under Section 1421 of the Act, 42 U.S.C. § 300h.

3. Respondent is the owner/operator of an "injection well" which is an "existing Class II well" as those terms are defined at 40 C.F.R. § 147.2902. The injection well is identified as well number SWD-1 ("well"). The well is also identified by EPA inventory number OS0933, and is located in the Northwest Quarter of Section 28, Township 28 North, Range 7 East, Foraker Field, Osage County, Oklahoma.

4. Regulations at 40 C.F.R. § 147.2903(a) require that any underground injection is prohibited except as authorized by rule or authorized by a permit issued under the UIC program. The construction or operation of any well required to have a permit is prohibited until the permit has been issued. The term "permit" is defined at 40 C.F.R. § 147.2902.

5. Regulations at 40 C.F.R. § 147.2909 provide that existing injection wells (wells authorized by the Bureau of Indian Affairs and constructed or completed on or before the effective date of the Osage UIC program) are authorized by rule. Owners or operators of wells authorized by rule must comply with provisions of 40 C.F.R. §§ 147.2903, 147.2905, 147.2907, and §§ 147.2910 through 147.2915.

6. The well is authorized by rule in accordance with 40 C.F.R. § 147.2909.

7. Regulations at 40 C.F.R. § 147.2903(b) require that no owner or operator construct, operate, maintain, convert, plug, or abandon any injection well, or conduct any other injection activity, in a manner that allows the movement of fluid containing any contaminant into an "Underground Source of Drinking Water" ("USDW"), if the presence of that contaminant may cause the violation of any primary drinking water regulation or may otherwise adversely affect the health of persons. The term "USDW" is defined by regulations at 40 C.F.R. § 147.2902.



8. An EPA representative observed that the static fluid level in the well was less than 500 feet subsurface during several inspections since April 2005. The most recent inspection, on January 14, 2008, showed that the static fluid level in the well was 436 feet subsurface. The base of USDWs at the well is 865 feet subsurface. A static fluid level above the base of USDWs indicates that fluid movement into a USDW could occur through the well bore.

9. Therefore, Respondent violated regulations at 40 C.F.R. §§ 147.2903(b) and 147.2909 by maintaining an injection well in a manner that could allow the movement of fluid into a USDW.

10. Respondent has been attempting to complete corrective actions on the well to prevent fluids from moving through the well bore into USDWs; however, such actions have not been completed within timeframes agreed to between Respondent and the EPA.

### **ORDER**

11. Based on the foregoing findings and under the authority of Section 1423(c) of the Act, it is hereby ordered that:

a. Within ninety (90) days after the effective date of this Order, Respondent shall complete corrective actions on the well to prevent fluids from moving through the well bore into USDWs. Such corrective action may be to plug the well according to regulations at 40 C.F.R. § 147.2905; to demonstrate that the well has mechanical integrity according to regulations at 40 C.F.R. § 147.2912(a); to lower the static fluid level in the well to at least 965 feet subsurface, or any other action acceptable to the EPA.

b. Within thirty (30) days after completing corrective action specified in paragraph 11.a. of this Order, Respondent shall submit certification of completion of corrective action to the EPA at the address shown below. Such certification shall include a description of work completed and may be a copy of an Osage Form 139 on which Respondent notifies the Bureau of Indian Affairs of work completed on the well.

Water Resources Section (6EN-WR)  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202

**NOTICE OF OPPORTUNITY TO REQUEST A HEARING**

12. Respondent may request a hearing to contest the issuance of this Order, pursuant to Section 1423(c)(3)(A) of the Act, 42 U.S.C. § 300h-2(c)(3)(A). Submit the hearing request to the address below within thirty (30) days from the date of this Proposed Administrative Order.

Regional Hearing Clerk (6RC-D)  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

13. A request for hearing should be included in a response to this Order. Respondent must file a response in order to preserve the right to a hearing or to pursue other relief.

14. Should a hearing be requested, members of the public who commented on the issuance of this Order during the public comment period would have a right to be heard and to present evidence at a hearing under Section 1423(c)(3)(C) of the Act, 42 U.S.C. § 300h-2(c)(3)(C).

**GENERAL PROVISIONS**

15. This Order does not constitute a waiver, suspension or modification of the requirements of 40 C.F.R. Part 147, Subpart GGG which remain in full force and effect.

16. Issuance of this Order is not an election by EPA to forego any civil or criminal action otherwise authorized under the Act.

17. Violation of the terms of this Order after its effective date or date of final judgment as described in Section 1423(c)(6) of the Act, 42 U.S.C. § 300h-2(c)(6), may subject Respondent

to further enforcement action, including a civil action for enforcement of this Order under Section 1423(b) of the Act, 42 U.S.C. § 300h-2(b), and civil and criminal penalties for violations of the compliance terms of this Order under Section 1423(b)(1) and (2) of the Act, 42 U.S.C. § 300h-2(b)(1) and (2).

**SETTLEMENT**

18. EPA encourages all parties against whom an administrative order is proposed to pursue the possibility of settlement through informal meetings with EPA. Regardless of whether a formal hearing is requested, Respondent may confer informally with EPA about the alleged violations. Respondent may wish to appear at any informal conference or formal hearing personally, by counsel or other representative, or both. To request an informal conference on the matters described in this Complaint, please contact Mr. Ronald Van Wyk, of my staff, at (214) 665-6459.

19. If this action is settled without a formal hearing, it will be concluded by issuance of a Final Order.

**EFFECTIVE DATE**

20. Pursuant to Section 1423(c)(3)(D) of the Act, 42 U.S.C. § 300h-2(c)(3)(D), this Order becomes effective thirty (30) days after issuance unless an appeal is taken pursuant to Section 1423(c)(6) of the Act, 42 U.S.C. § 300h-2(c)(6).

Proposed this MAY 29 2008 day of \_\_\_\_\_, 2008.

  
John E.levins

Director

Compliance Assurance  
and Enforcement Division



**CERTIFICATE OF SERVICE**

I certify that the foregoing Proposed Administrative Order was sent to the following persons, in the manner specified, on the date below:

Original hand-delivered: Regional Hearing Clerk (6RC-D)  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

Copy by certified mail  
return receipt requested: Mr. Ralph Tolson  
BGI Resources, LLC  
1900 Embarcadero, Suite 301  
Oakland, CA 94606

Copy: Bureau of Indian Affairs, Osage Agency  
P.O. Box 1539  
Pawhuska, OK 74056

Osage Nation Environmental and Natural Resources Department  
P.O. Box 1495  
Pawhuska, OK 74056

Dated: MAY 29 2008 Jaime Daniel